

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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## School Property Tax Control Board Meeting Minutes October 21, 2004

**Discussion:** Outstanding issues.

**MSD of Washington Township, Marion County:** Officials requested approval of a general obligation bond issue in the amount of \$1,965,000. The tax rate impact of the bond issue is \$0.02 with no new facility appeal to be filed. The term of the bond is 2 years. There was no common construction wage set since there is no construction associated with the bond issue. The issue fell below the threshold for a petition and remonstrance process.

**Present for the hearing** was Dr. William Fellmy, Deputy Superintendent; William Hammel, Manager of Business and Legal Services; Lonnie Therber, Therber & Brock and Thomas Peterson, Ice Miller.

**Project:** The project is the purchase of the following items:

**Instructional Equipment:**

9 Elementary Schools	\$270,000
3 Middle Schools	\$135,000
High School and Career Center	\$350,000
Special Services & Curriculum Dept.	\$40,000
Adult Education	<u>\$20,000</u>
Subtotal	\$815,000

Band Instruments-all schools	\$150,000
Science Equipment-all schools	\$100,000
Library Books-all schools	\$205,000
Media Equipment-all schools	\$100,000
Copiers & Office Equipment-all buildings	\$250,000
Transportation & Maintenance Equipment	\$200,000
Operations	<u>\$115,000</u>
Total	\$1,935,000

**Comments:** The Deputy Superintendent spoke about the proposed bond issue. The request is for a small general obligation bond that is typical for their school district. The majority of the bond proceeds will be used to purchase instructional equipment. Officials have issued bonds since 1946 for the purpose of purchasing instructional equipment. A 1028 hearing was held, though not required, and no one voiced objections.

Ms. Johnson asked what was instructional equipment to be purchased. The Deputy Superintendent said it involves mostly science equipment such as test tubes, beakers and measuring devices. They will also purchase library books with this bond issue. Ms. Johnson questioned the difference between the two categories of items to be purchased that are listed on page 13 of the hearing information sheet. The Director of Business said the top list includes a variety of items such as desks and equipment outside the science area. The Deputy Superintendent also includes items such as dry erase boards, a computer cart and a portable basketball goal.

Ms. Henson requested a supply list and the Deputy Superintendent said he would send one. Ms. Henson asked what the school board vote was on the bond issue and the Deputy Superintendent said 5 to 0.

Ms. Johnson asked if enrollment was decreasing in the district and the Deputy Superintendent said it has been stable the last 13 years. They only experience a change of 100 students per year.

Ms. Bond asked if the school district was landlocked. The Deputy Superintendent explained the area as built-out. The school corporation actually owns the most vacant land in the township. He noted as empty nesters move out, families are moving into the neighborhoods.

**Motion:** Ms. Johnson made a motion to approve a general obligation bond issue in the amount of \$1,965,000. Mr. Nemeth seconded the motion, which favorably carried 7-0.

**Clinton Central School Corporation, Clinton County:** Officials requested approval of a pension bond issue in the amount of \$1,050,000. The tax rate impact of the bond issue is \$0.0361. The term of the bond is 17 years. The Neutrality Resolution states the Capital Projects fund will be reduced in 2005 to offset the debt. The unfunded liability will be eliminated. The only liabilities remaining will be accruing but unused sick pay and previously contracted benefits for retired employees who are already receiving benefits.

**Present for the hearing** was Gary Gilbert, Superintendent; Debbie Rawlings, School Board President; Rod Wilson, City Securities and Jane Herndon, Ice Miller.

**Comments:** The Superintendent spoke about the proposed pension bond issue. Officials are requesting a bond issue in the amount of \$1,050,000. After two years of discussions with the teachers and the union, an agreement has been reached and approved by the teachers and school board. Officials will buy out the bridge payment and severance portion of the old plan and replace them with a 401(a) plan. The school will contribute ½% each year. Officials expect a \$0.03 to \$0.04 tax rate impact due to the bond issue and will reduce the Capital Projects and Bus Replacement funds.

Ms. Bond asked if the bond issue eliminates the unfunded liability. The Superintendent said the only portion remaining is the cost of sick days. The teachers wanted a buy out of the sick days, but also wanted to keep the ability to use them. Ms. Bond asked how officials planned to handle the remaining liability and the Superintendent replied through the General fund.

Mr. Bronnert asked if most of the neutrality would be accomplished through the Capital Projects fund and the Superintendent said yes. Mr. Bronnert asked about the condition of the facilities in the school district. The Superintendent said they are in excellent shape as all buildings are on one campus and have been continually updated.

**Motion:** Ms. Henson made a motion to approve a pension bond issue in the amount of \$1,050,000. Mr. Bowen seconded the motion, which favorably carried 7-0.

**MSD of Lawrence Township, Marion County:** Officials requested approval of a general obligation bond issue in the amount of \$1,950,000. The tax rate impact of the bond issue is expected to be zero as the GO Bonds of 1997 are paying off in 2004. The common construction wage information was in order. The issue fell below the threshold for a petition and remonstrance process.

**Present for the hearing** was Edward Williams, Assistant Superintendent; Robin Phelps, Chief Financial Officer; Pete Beiriger, Energy Engineer; Tom Grabill and Nate Day, Educational Services Company and Thomas Peterson, Ice Miller.

**Project:** This project is a guaranteed energy savings and learning environment improvement at three elementary schools. The major part of this project consists of HVAC replacement and improvement at Mary Castle Elementary School. Existing unit ventilators will be replaced with new vertical ducted units complete with all the ductwork, pipe chases, variable speed drives and other mechanical devices to insure appropriate and efficient operation. A new DDC temperature control system will be installed for the entire building. The system will be complete with full digital controllers, valves, and damper actuators. In addition, original exterior doors will be replaced with 1" single pane glass and the original exterior windows replaced with new insulated, double pane glass. The last part of the Mary Castle upgrade is to provide and install a fixed capacitor bank to increase the power factor for electric bill credit.

At both Oaklandon Elementary and Sunnyside Elementary, there will be major refurbishing of the existing air handling units. In addition, there will also be temperature control modifications and the installation of carbon dioxide sensors for optimization of fresh air.

**Comments:** The Superintendent spoke about the proposed general obligation bond issue. The bond issue is to cover the cost of an energy savings contract. The school board began a strategic plan a couple of years ago. The hope is to provide an optimum learning environment to all students by 2008-2009. There were three schools included in the feasibility study and found Mary Castle needs the most work. Officials are only addressing three sites at this time to develop a prototype for the other facilities. They hope to learn from these projects for future facility improvements.

Ms. Bond asked about the term of the bond issue and the Superintendent responded one year.

Mr. Bowen noted officials were using a previous wage scale and asked which wage scale was applied. The Superintendent said that information was submitted with their materials. Mr.

Grabill said Lawrence Township has traditionally adopted the union scale and vendors were aware of that fact. Mr. Bowen asked how many proposals from contractors were received. A representative of the contractor said they received several from electrical and mechanical contractors.

Mr. Nemeth noted the facilities to be addressed in this project are not the oldest with relatively new additions. The Superintendent responded that Mary Castle is the largest of the three facilities and has not been touched mechanically for some time. Sunnyside had a poor prime contractor involved with the temperature controls. Mr. Nemeth asked if there was any recourse available against that contractor. The Superintendent said no since that firm is no longer in business. Mr. Nemeth asked if the rest of the facilities would be done at one time. The Superintendent said they are in the midst of preparing a master plan currently. Officials will prioritize the projects at that time. Mr. Nemeth asked if the projects would be small like this one. The Superintendent said no, they would come with larger projects in the future.

Ms. Johnson asked how many students officials expect. The Superintendent said the high school contains the centralized kindergarten program. They will be out of room for both in the near future, so they will move the kindergarten to four elementary school sites in the district.

Ms. Bond asked if the kindergarten centers would be freestanding facilities and the Superintendent said yes, geographically located throughout the district.

**Motion:** Ms. Johnson made a motion to approve a general obligation bond issue in the amount of \$1,950,000. Mr. Nemeth seconded the motion, which favorably carried 7-0.

**Liberty-Perry Community School Corporation, Delaware County:** Officials requested approval of a pension bond issue in the amount of \$3,845,000. The tax rate impact of the bond issue is \$0.1542. The term of the bond is 20 years. The hearing information sheet states the Capital Projects fund will be reduced to offset the debt. The bond issue eliminates the unfunded liability.

**Present for the hearing** was Jim Craig, Superintendent; Doug Cassman, Educational Services Company and Jane Herndon, Ice Miller.

**Comments:** The Superintendent spoke about the proposed pension bond issue. They are a small school district located east of Muncie. They have a total enrollment in the district of 1,200 students. The language of the current contract, especially the health insurance, is a huge burden on the budget. Officials have reached a tentative agreement to eliminate the unfunded liability. The neutrality will be accomplished through the Capital Projects fund. Officials feel they can cover the needs with the bond issue amount requested.

Mr. Nemeth asked about teachers giving up the benefit of half a starting teacher salary. The Superintendent said officials were able to show them how the increase in health insurance has to end. Officials feel they were generous with the settlement. There are 80 teachers in the district and a number of retirements recently. They now have a younger staff that understands the need to address this problem sooner rather than later.

Ms. Bond asked when the school board voted on the bond issue and the Superintendent said August 25, 2004.

Mr. Bronnert asked if the reduction would be made in the Capital Projects fund and the Superintendent replied yes. Mr. Bronnert asked about the condition of the facilities. The Superintendent said they do have concerns about some of the buildings. Officials have been trying to determine building needs the last six months. Officials expect some work will need to be done at one facility, but there will be some room in the Capital Projects fund budget.

Mr. Roberson said he felt the issue would be a huge advantage to the General fund and help officials improve instructional programs.

**Motion:** Mr. Roberson made a motion to approve a pension bond issue in the amount of \$3,845,000. Ms. Henson seconded the motion, which favorably carried 7-0.

**Cowan Community School Corporation, Delaware County:** Officials requested approval of a pension bond issue in the amount of \$555,000. The tax rate impact of the bond issue is \$0.0509. The term of the bond issue is 10 years. The Neutrality Resolution states the Capital Projects fund will be reduced in 2005 to offset the debt. This will eliminate the unfunded liability.

**Present for the hearing** was Larry John, Superintendent; Tom Grabill and Nate Day, Educational Services Company and Thomas Peterson, Ice Miller.

**Comments:** The Superintendent spoke about the proposed pension bond issue. Officials have negotiated a contract that teachers have ratified and the school board has approved. The school district is located south of Muncie. The negotiations were amicable in reaching the agreement. They are in the midst of remodeling a middle school and the project is being financed through a common school loan. They are also constructing a new auxiliary gymnasium. The bond issue would help alleviate the General fund budget constraints. The staff in the school district is becoming more mature. The school board supports this bond issue.

Ms. Johnson asked how many students are in the school district and the Superintendent replied 650 in grades K-12.

Mr. Bowen questioned the calculation of total costs of the pension bond request. Mr. Grabill said the error was on the Bond Bank fee, which should read \$8,500.

Ms. Bond questioned what the \$5,000 listed as other represented. Mr. Grabill said it included fees for negotiations and vendor selection.

**Motion:** Ms. Henson made a motion to approve a pension bond issue in the amount of \$555,000. Mr. Bowen seconded the motion, which favorably carried 7-0.

**Merrillville Community School Corporation, Lake County:** Officials requested approval of a lease rental agreement with maximum annual payments of \$4,374,000 for 23 years. The total

project costs are \$41,600,000. The tax rate impact is \$0.15 with a new facility appeal of \$0.03 expected. The common construction wage information was in order. There was no application for a petition and remonstrance process.

**Present for the hearing** was Tony Lux, Superintendent; Ronald Price, Assistant Superintendent; Donna Stath, School Board President; Lonnie Therber, Therber & Brock and Jim Shanahan and Jane Herndon, Ice Miller.

**Project:** The project involves three elementary schools, Fieler, Salk and Wood. All three house K-4 and all will be renovated and expanded. The improvements at all three are almost identical.

Each school will receive additions to house classrooms, a multipurpose room with stage, new administration area and expanded kitchen and mechanical space.

Renovation will include extensive upgrading of the HVAC, electrical and plumbing systems. Roofs will be replaced along with exterior doors and windows. Classrooms will receive new wall coverings and ceilings and new light fixtures will be installed throughout.

The improvements are needed because of the age of the buildings, the programs now being offered and increasing enrollments.

**Comments:** The Superintendent spoke about the proposed project. The project involves renovating and expanding three elementary schools. There are a number of reasons for the proposed project. The facilities to be addressed have structural and mechanical needs and have not been renovated in 20 to 30 years. The parents have been requesting the renovations since the facilities have no air conditioning. Enrollment growth has been accelerating over the last five years and they have experienced an increase of 700 students in that time. There are plans for over 750 homes in the school district at this time. Officials anticipate full-day Kindergarten in the future and would need additional space to accommodate that program. Officials have enjoyed a good track record of community support for building projects. The local Chamber of Commerce is supportive of this project. There was no remonstrance filed on this project or previous projects. The most recent school board election saw two people who support the building project run unopposed.

Ms. Bond asked how many students they increased this year and the Superintendent replied 200. Ms. Bond asked what past increases have been and Mr. Price replied 100 to 200 over the past 5 to 6 years.

Ms. Johnson said they were under capacity at two facilities and questioned why. The Superintendent said those numbers are based on the maximum capacity of the building. Mr. Therber said those numbers represented the most number of students you would ever want those buildings to hold based on all available teaching areas. Mr. Therber said capacity is a desired issue and some school corporations have a higher tolerance in this area. The Superintendent said officials plan to move students to maintain the desired class sizes. They have a limited full-day Kindergarten program as space is not available to expand the program.

Mr. Roberson asked what the school board was at the October 19, 2004 meeting and the Superintendent said 5 to 0.

Mr. Bronnert how officials plan to renovate without interrupting classes. School officials said they would construct the new areas and then rotate students into those areas. The students will be kept separate from the areas where work is being completed.

Mr. Nemeth noted the interest would be paid initially and the principal payments would not begin until 3 or 4 years. Mr. Therber said that was to maintain a level debt service tax rate and officials have always tried to accomplish that goal. This allows them to take the edge of the initial tax increase. This does increase the interest cost, but it alleviates the tax increase. Mr. Price noted the high school project would be paid off in 2013.

**Motion:** Mr. Bowen made a motion to approve a lease rental agreement with maximum annual payments of \$4,374,000 for 23 years. Ms. Johnson seconded the motion, which favorably carried 7-0.

*Mr. Barnes arrived for the remainder of the meeting.*

**Lafayette School Corporation, Tippecanoe County:** Officials requested approval of a general obligation bond issue in the amount of \$1,975,000. The tax rate impact of the bond issue is approximately \$0.02 and officials have not decided on whether to pursue a new facility appeal. The term of the bond is 5 years. The common construction wage information was in order. The issue fell below the threshold for a petition and remonstrance process.

**Present for the hearing** was Dr. Ed Eiler, Superintendent; Dr. Robert Foreman, Business Manager; Lonnie Therber, Therber & Brock and Thomas Peterson, Ice Miller.

**Project:** A community group led by the Jefferson Band Boosters has secured financing for the construction of a 32,830 square foot performing arts center, which will be attached to Jefferson High School. The total cost of this facility is estimated at \$7,024,000.

As part of this project, Lafayette School Corporation is responsible for renovating the existing theater area at the High School. The addition will surround the theater area.

Contributions, one of which is \$3.5 million, from the community are providing the funds for the total cost of the addition and the architects fees relative to the remodeling. The School Corporation is responsible only for the construction cost of the remodeling and equipping the theater area and paying costs of issuing the \$1,975,000 General Obligation Bond.

**Comments:** The Superintendent spoke about the proposed project. Some generous alumni of the school corporation conducted a campaign to raise building funds. The project the school corporation is responsible for is to convert the old band area that will surround the new performing arts center. The scope of the project is slightly under \$2 million.

Ms. Johnson asked if school officials had any say in the addition being built by private funding. The Superintendent said they are working with the staff to determine program needs. He said the architectural plans have been completed and are impressive.

Ms. Bond asked if the school currently has an auditorium and the Superintendent replied yes.

Mr. Bowen asked if the building would be turned over to the school corporation upon completion. The Superintendent said it would upon completion and when it is paid. Mr. Bowen asked if the school corporation would be responsible for maintaining the new area and the Superintendent said yes. Mr. Bowen asked if officials would be allowed to file a new facility appeal for the operating costs of the additional space. Ms. Bond felt they could, but would have to meet the two-year deadline the control board allows for appeals.

Ms. Bond asked if the total project cost was \$9 million and the Superintendent said yes. Mr. Therber replied that most of the \$7 million covered by private donations is cash and they would cover the architect fees. Ms. Bond asked who would pay the clerk of the works expense and the Superintendent said the donors are covering the construction costs.

**Motion:** Mr. Barnes made a motion to approve a general obligation bond issue in the amount of \$1,975,000. Mr. Bowen seconded the motion, which favorably carried 8-0.

**Madison Consolidated Schools, Jefferson County:** Officials requested approval of a lease rental agreement with maximum annual payments of \$1,280,000 for 15 years. Total project costs are \$11,700,000. The tax rate impact of the project is \$0.061 with a new facility appeal of \$0.0116 expected. The common construction wage information was in order. There was no application for a petition and remonstrance process.

**Present for the hearing** was Darrell Auxier, School Attorney; Kathy May, Director of Finance; Paul Cronen, School Board President; Chris Boardman, Ratio Architects; Tom Grabill and Nate Day, Educational Services Company and Jane Herndon and Andy Hollenbeck, Ice Miller.

**Project:** This project is a renovation and addition to Lydia Middleton Elementary in accordance with the historic standards of downtown Madison. The project is described below:

Renovation:

The intent of this renovation is to restore those features that have been compromised over the many years of previous renovations. The scope of the renovation will include the following: Restoration of the windows with new, energy efficient six over one windows that stimulate the originals, general maintenance of the exterior skin including tuck-pointing and cleaning of brick and limestone details, full mechanical, electrical, and technological upgrades which will include raising the classroom ceilings back to the original height and providing full access to electrical and data in all rooms. In those areas where the original pressed-tin ceilings are concealed but in tact, these areas will be restored and missing areas filled. Other areas include the restoration of the Auditorium and its skylights and the re-opening of the lower-level cafeteria.



### Addition:

The primary purpose of the new addition is to provide approximately 30,000 square feet of additional space the new population requires. The three-story addition includes a modern kitchen and delivery area, a new north student entry, a junior high school size gymnasium, several new classrooms, new toilets to serve all levels, an elevator, an new media center adjacent to an outdoor learning lab. The interior spaces will continue much of the character from the original building such as ceiling heights, daylight, and finishes. The exterior will also carry much of the same feel from the original in its materiality (brick, limestone) and scale. However, both internally and externally the architecture will clearly differentiate itself from the original so that although the two complement each other, it will be clear what is new and what is old. In a historic community such as Madison, this distinction is critical to the integrity of the town's identity and fabric.

The project explores fully the opportunities to enhance learning. The basic mechanical upgrades will vastly improve comfort for both faculty and students. The restoration of the original windows will introduce a tremendous amount of natural daylight back into the classrooms. Further measures will be taken to harness natural daylight by creating an interior atrium where the two buildings come together with large windows at the top. The atrium will extend through the building allowing light to filter throughout. Other aspects of enhanced learning include the creation of "break-out" spaces. These rooms will be created by combining the existing classrooms into a room scaled for smaller learning groups which can have acoustical separation while still being "inside" the larger adjacent classroom. Other enhancements include the gymnasium and rooftop learning lab. It is anticipated that this lab will offer outdoor learning opportunities that the constricted site would not otherwise allow.

### Mechanical, Electrical and Plumbing

The existing building and new addition will be fully fitted with new mechanical systems in accordance with Indiana Mechanical Code (IMC) and Indiana Energy Conservation Code (IECC). A central heating plant consisting of boilers and chillers will provide either cold or hot water to 4-pipe Fan-Coil units distributed throughout the building that will heat or cool specific areas. Fresh, tempered air will be sent via ductwork to these Fan-Coil units to be either heated or cooled before entering the space.

The project scope also includes all new electrical service and distribution systems in accordance with the latest edition of the Indiana Electrical Code and Indiana Department of Fire and Building Services. This work will include general lighting throughout the building as well as exterior lighting for both accent and security. New communications systems will include telecomm, fire alarm, corrective clocks, security, media retrieval, television distribution, auditorium/media center/gym/café audio reinforcement, and intercommunication systems.

New plumbing systems will be installed throughout in accordance with Indiana Plumbing Code and Indiana Energy Conservation Rules and Regulations for New Building Construction. New toilet rooms will be located on all levels to serve all the various populations. The building will also be outfitted with a fire suppression sprinkler system.

**Comments:** The school attorney spoke about the project. Officials request approval of a lease rental agreement with a total project cost of \$11,700,000. Lydia Middleton is an 84-year old facility located in historic downtown Madison. The district has a total of 3,500 students and maintains one high school, one middle school and seven elementary schools. It has been the policy of the school administration to maintain neighborhood schools to preserve the communities they are located. There is no available space in downtown Madison to build a new school. A committee was formed in early 2003 and several meetings held to hear public input. The decision was made to renovate Lydia Middleton and construct an addition to the back of the facility. An architect was hired that is experienced with historic buildings. The addition is 24,000 square feet and they will renovate 32,000 square feet. This building project had to be approved by the historic board, which they did unanimously. There was no petition filed opposing the project even with the completion of reassessment and the recently enacted local income tax.

Mr. Bronnert asked about the students at Egleston. The school attorney said the gifted and talented program is at the middle school and would be moved to Lydia Middleton. The kindergarten class is located at a neighboring church.

Ms. Henson asked what the school board vote was at the October 12, 2004 lease hearing. The school attorney said it was 5 to 0 with two board members absent. All other votes on the project have been unanimous.

Mr. Bronnert asked for an explanation of new school looking new, old school looking old. The architect responded that there is a requirement stipulated when adding on to a structure on the National Registry of Historic Places. The logic is to make the addition look compatible, but to preserve what is old and what is new. They are taking similar proportions and materials of the old and incorporating them into the addition.

Mr. Nemeth asked who would act as the clerk of the works. The school attorney said it would be someone from the architectural firm or another outside firm. Mr. Nemeth asked how the estimate was determined. Mr. Grabill said they based the estimate on other projects they have been involved.

Ms. Johnson asked about the small learning group rooms. The architect said they would reconfigure current coatrooms and allow access to these learning rooms by neighboring classrooms.

**Motion:** Mr. Bronnert made a motion to approve a lease rental agreement with maximum annual payments of \$1,280,000 for a term of 15 years. Ms. Johnson seconded the motion, which favorably carried 8-0.

**Southeast Dubois County School Corporation, Dubois County:** Officials requested approval of a pension bond issue in the amount of \$4,590,000. The tax rate impact of the bond is \$0.1320. The term of the bond is 20 years. The Neutrality Resolution states the Bus Replacement fund

will be reduced in 2005 to offset the debt. The liability will virtually be eliminated by this bond issue.

**Present for the hearing** was Robert Johnson, Superintendent; James Elizondo, City Securities Company and Jane Herndon, Ice Miller.

**Comments:** The Superintendent spoke about the proposed pension bond issue. Officials request the bond issue to reduce the unfunded severance liability. They have reached an agreement with teachers and they will eliminate the old plan and replace it with a 401(a) plan. The bond issue will allow the school corporation to survive financially. They will reduce the Bus Replacement fund to offset the debt. Officials had developed a plan to purchase more buses and take over the bus routes since there is no money in the Transportation fund. The plan to do this is now on hold.

Mr. Bronnert asked if the Bus Replacement would be reduced in 2005 only, or for the entire term of the bond issue. The Superintendent said some would probably be moved to the Capital Projects fund in the future. Mr. Bronnert asked about the condition of the buildings in the school district. The Superintendent said they are in decent shape. The Superintendent noted the Capital Projects fund was reduced to offset the effect of a recent building project. Mr. Bronnert asked if the Capital Projects fund is at the maximum tax rate. The Superintendent said yes when you consider the reduction for the building project. Mr. Elizondo said they are just now taking bids on that project.

Ms. Bond asked if the liability would be eliminated with the bond issue and the Superintendent replied no. Ms. Bond asked if the General fund would continue to cover a portion of the expenses. The Superintendent said yes, but the bond issue reduced the liability to the teachers for the bridge and health insurance costs and the administration bridge payments. Ms. Bond asked what the balance was in the Rainy Day fund and the Superintendent said \$15,000.

**Motion:** Ms. Johnson made a motion to approve a pension bond issue in the amount of \$4,590,000. Mr. Roberson seconded the motion, which favorably carried 8-0.

**Tell City-Troy Township School Corporation, Perry County:** Officials requested approval of a pension bond issue in the amount of \$5,000,000. The tax rate impact of the bond issue is \$0.1318. The term of the bond is 20 years. The Neutrality Resolution states the Capital Projects and/or Bus Replacement funds will be reduced in 2005 to offset the debt. The bond issue will greatly reduce, if not eliminate, the unfunded liability.

**Present for the hearing** was Bruce Chinn, Acting Superintendent; Larry Bryant, School Board President; Ron Etienne, Consultant; Colette Irwin-Knott and Chris Hintz, HJ Umbaugh and Jane Herndon, Ice Miller.

**Comments:** The Acting Superintendent began the discussion of the proposed pension bond issue. He explained the Superintendent resigned four weeks ago and he was named the acting Superintendent. Mr. Etienne was hired as a consultant since that time.

Mr. Etienne continued the discussion. He knew officials were under the gun to get this bond issue in before the legislation expires at the end of this year. Officials advertised for the public hearing and the liability amount has been determined. Officials have spoken with the teachers' association, but have not reached an agreement at this time. The relationship has been cordial and cooperative, but they have yet to be involved in the negotiations. Officials hope to buy out the entire unfunded liability. The additional appropriation hearing was held recently and no one attended to speak against the bond issue.

Ms. Bond asked if the teachers understand the severity of the situation and Mr. Etienne replied yes.

Mr. Barnes asked if the bonds would be sold before a settlement is reached with teachers. Mr. Etienne said he was not sure, but the bonds would have to be sold before year end. Ms. Herndon said the obligation remains regardless, but the selling of bonds prior to completion of negotiations is not as good of a situation for the school corporation. Mr. Barnes felt the school corporation loses leverage in negotiations when they sell the bonds prior to reaching an agreement. Mr. Etienne said the school corporation is headed for reductions of staff as it is and that understanding is there.

Ms. Bond asked when discussions began. A school official said the prior Superintendent had a misunderstanding regarding the bond capacity allowed, which has held up the process.

Mr. Bronnert noted the request of \$5 million is not far below their pension capacity of \$6.2 million. Mr. Bronnert asked if teachers were aware they were requesting \$5 million and Mr. Etienne replied yes. Mr. Bronnert asked if they were questioned why they were not requesting up to the capacity. Mr. Etienne replied no. Ms. Irwin-Knott said the former Superintendent felt that was the maximum amount they could handle for neutralization purposes.

Ms. Bond asked how many students are in the school district and the Acting Superintendent replied 1,685.

Mr. Bronnert asked about the condition of the buildings in the school district. Mr. Etienne said they have a new elementary school, but the middle and high schools need mechanical improvements that will be tough to complete in a reduced Capital Projects fund budget.

**Motion:** Mr. Barnes made a motion to approve a pension bond issue in the amount of \$5 million. Ms. Johnson seconded the motion, which favorably carried 8-0.

**Randolph Central School Corporation, Randolph County:** Officials requested approval of a pension bond issue in the amount of \$2,700,000. The tax rate impact of the bond issue is \$0.0685. The term of the bond is 15 years. The Neutrality Resolution states the Capital Projects fund will be reduced in 2005 to offset the debt. The issue will eliminate the unfunded liability.

**Present for the hearing** was Philip Wray, Superintendent; Tom Grabill and Nate Day, Educational Services Company and Thomas Peterson, Ice Miller.

**Comments:** The Superintendent spoke about the proposed pension bond issue. Officials request a pension bond issue in the amount of \$2,510,000. The bond issue will eliminate the certified and non-certified staff pension liability. The Capital Projects fund will be reduced to offset the debt. The contract for 2004-2005 has been ratified by the teachers. The buildings in the school district are in good shape and an elementary school was just completed two years ago. Officials feel the reduced Capital Projects fund budget can support the building needs of the district.

**Motion:** Ms. Henson made a motion to approve a pension bond issue in the amount of \$2,510,000. Mr. Nemeth seconded the motion, which favorably carried 8-0.

**Carroll Consolidated School Corporation, Carroll County:** Officials requested approval of a general obligation bond issue in the amount of \$1,300,000. Total project costs are \$1,611,700, with \$311,700 from the Capital Projects fund. The tax rate impact of the bond issue is \$0.0329 with no new facility appeal planned. The term of the bond is 1 year. The Governor's Representative refused to sign the common wage scale and the AFL-CIO Representative voted no. The issue fell below the threshold for a petition and remonstrance process.

**Present for the hearing** was John Sayers, Superintendent; Tom Grabill and Nate Day, Educational Services Company; Jane Herndon and Andy Hollenbeck, Ice Miller; Pete Rimsans, Indiana State Building Trades and Jack Kelley, AFL-CIO Appointee to the Common Construction Wage Committee.

**Project:** The project is a learning environment improvement project at Carroll Elementary School. The project consists of the appropriate general, mechanical, electrical and control work to air condition both the 1982 portion and the 1999 portion of the building. A new chilled water system is included in the project. Appropriate louvers, compressors, duct work and insulation are included to air condition the entire building.

**Comments:** The Superintendent spoke about the project. Officials are requesting approval of a general obligation bond issue to cover the costs of an air conditioning project at the elementary school. An addition constructed in 1999 was set up for the addition of air conditioning in the future. An engineering study in 2002 was done to look at the cost and feasibility of installing air conditioning and to review the heating system. The school board decided to proceed with the installation of air conditioning at their facilities, but the cost was too high. The school board decided to focus on the elementary school and wait on the middle/high school. Public meetings have been held to discuss facility needs and the lack of air conditioning has been the biggest concern. Officials have informed the public on their intent to proceed with the elementary school project. The high school will need a major renovation in the near future, so it would not be prudent to add air conditioning to it prior to renovating it.

Ms. Henson asked if Capital Project funds were on hand and the Superintendent replied yes. Ms. Henson noted the 3 to 2 vote by the common construction wage committee and asked what had occurred at the meeting. The Superintendent said the ABC wage scale was approved and the AFL-CIO and State Federation of Labor also submitted proposals.

Mr. Barnes asked if anyone that pays property tax to the school corporation objected to the wage scale and the Superintendent said no. Mr. Barnes asked if the AFL-CIO wage scale was limited to Carroll County or was the Tippecanoe County area. The Superintendent believed it was for the Tippecanoe County-area. Mr. Barnes asked if the State Federation of Labor was based on state figures and the Superintendent replied yes. Ms. Herndon noted the AFL-CIO scale states Carroll County. Mr. Barnes said it is his opinion that the AFL-CIO is causing bedroom communities to pay a higher scale than would normally be paid.

Ms. Bond asked if the Superintendent would oversee the project and the Superintendent said yes.

Mr. Rimsans spoke about the common wage scale. He submitted written comments before discussing. He said the wage scale presented by ABC was not county specific as required by I.C. 5-16-1. The ABC wage scale presented represented wages paid in 1/5 of counties, but no evidence that anyone in Carroll County earns these wages. He said the wage scale was not broken down by trades as required and each craft is different as far as the likelihood of being unionized. The scale should be supported with evidence showing how many people made the wages set forth and the ABC scale does not. It is his opinion since the scale does not comply with the common wage law, then the school did not follow the laws governing the school property tax control board.

Mr. Kelley spoke about the common wage scale. He submitted written information that reported the number of union craft members from Carroll County, which is within the jurisdictional area of the Tippecanoe County Building and Construction Trades Council. He said there was no one representing the ABC in attendance at the common wage meeting to support their figures. Delphi Community Schools passed the AFL-CIO wage scale last year for a project. Mr. Barnes asked if the numbers reflected on the report he submitted actually reside in Carroll County and Mr. Kelley said no, the surrounding counties. Ms. Henson asked if Mr. Kelley felt the school corporation should go back through the common wage scale process and he said yes. Mr. Kelley felt their wage scale better represented the common wage scale.

**Motion:** Mr. Barnes made a motion to approve a general obligation bond issue in the amount of \$1,300,000. Mr. Bowen seconded the motion, which favorably carried 8-0.

**Northwest Allen County Schools, Allen County:** Officials requested approval of a lease rental agreement with maximum annual payments of \$1,610,000 for 22 years. Total project costs are \$17,691,000. The tax rate impact of the project is \$0.068 with a new facility appeal rate impact of \$0.03 expected. The common construction wage information was in order. There was no application for a petition and remonstrance process.

**Present for the hearing** was Steve Yager, Superintendent; Bill Mallers, Assistant Business Manager; Kari Vilamaa, Architect; James Elizondo, City Securities Corporation and Thomas Peterson, Ice Miller.

**Project:** The project includes the construction and equipping of a new 92,800 square foot, K-5 elementary school. The new elementary is being built to address the growing student population within the school district.

**Comments:** The Superintendent spoke about the project. The project involves the construction of a new 92,800 square foot K-5 elementary school. The facility is scheduled to open in August 2006 and has a total cost estimated at \$17,691,000. Officials have been getting demographic studies every year and are experiencing growth of 200 students per year. A demographic study was done in January 2004 and the school board went on a retreat in February. Several public meetings were held in March and April, with 58 public meetings held in total to discuss this project. The 1028 hearing was held in June 2004 and no opposition was raised at that meeting. A design presentation was made in October 2004. Officials expect to bid the project in January 2005 and begin construction when weather conditions allow. The district is comprised of a 10th-12<sup>th</sup> grade high school, a freshman campus, two middle schools with a capacity of 1,000 each and enrollment of 700, two elementary schools over capacity and one at 90%. The ADM count this fall was 5,367 and officials expect it to be over 7,500 by 2013-2014. Officials are looking at future needs, including an additional elementary like this one and possibly a second high school. They will let the community decide between one large high school or two smaller high schools upon completion of a report on the subject.

Mr. Barnes asked how many regular classrooms would be in this facility. The architect said it would be a four-section building with 24 classrooms. Mr. Barnes asked if the facility would have a free standing kitchen and the architect said yes, along with a cafeteria gymnasium.

Ms. Bond asked if officials expect more students next year and the Superintendent said the demographic study predicts 300 new students. Ms. Bond asked where the students are coming from. The Superintendent said most are from Fort Wayne Schools, but also a couple of neighboring school districts.

Mr. Bronnert asked if the school district covered two or three townships. The Assistant Business Manager said three townships. There had been a lot of growth in the southwestern part of the district that the county had put a moratorium on, but that has since been lifted.

Mr. Nemeth asked who would act as the construction manager of the project. The Superintendent said the Buildings and Grounds Director. Mr. Elizondo said when the hearing information sheet was prepared, the school board was still considering the possibility of hiring an outside construction manager. The Superintendent said a construction manager would still be considered if the low bidder were not a good general contractor.

**Motion:** Mr. Nemeth made a motion to approve a lease rental agreement with maximum annual payments of \$1,610,000 for 22 years. Ms. Henson seconded the motion, which favorably carried 7-0-1. Mr. Roberson abstained from the vote.

*Ms. Johnson was absent for a portion of the meeting.*

**Springs Valley Community Schools, Orange County:** Officials requested approval of a general obligation bond issue in the amount of \$125,000 and a lease rental agreement with maximum annual payments of \$860,000 for 24 years. The tax rate impact of the bond issue is \$0 as debt is paid off in 2005 and the bond term is 1 year. The tax rate impact of the lease rental is

\$0.045 with a new facility appeal rate impact of \$0.027 expected. The common construction wage information was in order. There was no application for a petition and remonstrance process.

**Present for the hearing** was Robert Haworth, Superintendent; Tony Whitaker, Elementary School Principal; James Tucker, School Attorney; John Hawkins, Architect; James Elizondo, City Securities and Andy Hollenbeck, Ice Miller.

**Project:** The bond issue will fund the site work in advance of additions to Springs Valley Elementary and Springs Valley Junior/Senior High School.

The lease rental project includes the construction and equipping of a kindergarten addition to the Springs Valley Elementary School and of an addition to and renovation of the Springs Valley Junior/Senior High School.

The kindergarten addition will add two classrooms, playground and student drop areas.

The addition to Springs Valley Junior/Senior High School will add 12 classrooms, an addition to the kitchen and dining areas and will renovate the remaining portion of the kitchen.

The renovation of the Springs Valley Junior/Senior High School will address various infrastructure needs of the school including: additional parking, restroom upgrades, new cooling towers, sound system upgrades, lighting upgrades, acoustic upgrades, handicap access, terrazzo vitrification, water system improvements, some new heat pump unit ventilators, some new cooling units, new water heaters, fire sprinkler improvements and concrete paving improvements.

**Comments:** The Superintendent spoke about the proposed project. A committee was formed in August 2003 to look at the space at the high school and elementary schools to see if more classroom space was needed. The committee met with teachers, administrators and school patrons and the process has been continuing for over a year. Teachers reviewed the middle school concept and presented their findings at the October 2003 school board meeting. The Superintendent at that time requested bids for a feasibility study. The feasibility study was completed by Gibraltar Design and they proposed new construction. The architects were hired in April 2004. The school board was in the process of changing due to the election in May 2004, so an additional public hearing was held on the proposed project. Only three people were in attendance at that meeting. The 1028 hearing was held on July 22, 2004 where officials expressed the purpose of the meeting was to discuss the proposed project. Again, only three people attended to speak regarding the project. There was no remonstrance filed after the 1028 hearing and only two attending the meetings had concerns. A school board member voted against the project, but was opposed to the architect and not the project. This school board member ultimately carried a petition supporting the project and garnered the most signatures. A casino is slated to be built in the school corporation, but this project is needed regardless. They are seeing an increase in the special education and technology program needs. Officials need more space even without growth, though the casino leads to an expectation of moderate growth in the area. The project includes the addition of twelve classrooms at the middle school, the



addition of two kindergarten classrooms at the elementary school and the expansion of the high school cafeteria. The high school is an open-campus currently and no hot lunches are served. Officials expect to close the campus when the casino opens, so more space is necessary at the high school to accommodate this situation.

Mr. Barnes asked what the \$1.5 million outstanding bond issue represented and Mr. Elizondo responded pension bonds. He said they were just approved recently, but the proposed general obligation bond issue being requested with this project would be sold prior to the pension bonds. He said the bond capacity becomes an issue if not sold in that order. Mr. Peterson explained the GO bond/pension bond capacity issue. Mr. Barnes asked if the DLGF has approved the pension bond issue and the Superintendent said yes. Mr. Barnes asked if school officials and representatives were asking the DLGF to approve a general obligation bond issue without bonding capacity. Mr. Peterson assured the pension bonds would be sold after the general obligation bonds. Mr. Peterson suggested a stipulation on the order to address that issue.

Ms. Henson asked if bids were being taken after the bond sale because of the pension/GO bond issue. Mr. Elizondo said they wanted to begin repayment in 2005 to maintain a level tax rate. Ms. Henson felt they should allow the taxpayers a break for a year instead of keeping the tax rate level. Mr. Elizondo said the lease options discussed on its own would actually drop the tax rate. The school board opted to put the general obligation bond issue in the project.

Mr. Barnes asked if the pension bond hearing information sheet reported the proposed general obligation bond issue of \$125,000 and the Superintendent said no.

Ms. Bond asked when school officials came to control board to request approval of the pension bond issue and the Superintendent said two months ago. Mr. Barnes felt the DLGF could have held off issuing the pension bond order if they had known about the proposed general obligation bond.

Ms. Henson asked if bids would be taken before the lease was executed. Mr. Elizondo said no, it would be after. Ms. Henson noted she was looking at the wrong hearing information sheet.

Mr. Nemeth asked if the delay in repayment on the lease was to lessen the tax rate impact. Mr. Elizondo said the budget was already in place, so the first opportunity to begin repayment was 2006. Mr. Nemeth asked if principal repayment did not begin until 2009. Mr. Elizondo said that was based on a high interest rate of 6% and the actual interest rate realized might allow for principal repayment to begin in 2007 or 2008. Mr. Nemeth asked who would act as the construction manager. The Superintendent replied a custodian who is an engineer. He was the project manager of the 1998 physical education complex.

**Motion:** Mr. Nemeth made a motion to approve a lease rental agreement with maximum annual payments of \$860,000 for 24 years. Mr. Bronnert seconded the motion, which favorably carried 7-0-1. Mr. Roberson abstained from the vote.

Ms. Johnson made a motion to approve a general obligation bond issue in the amount of \$125,000. Mr. Bronnert seconded the motion and the vote was 2-5-1. Mr. Roberson abstained from the vote.

The Superintendent asked for an explanation of the bond issue vote. Mr. Barnes said it was not approved due to the bond capacity limitation.

**Pike County School Corporation, Pike County:** Officials requested approval of a pension bond issue in the amount of \$6,200,000. The tax rate impact of the bond issue is \$0.0936. The term of the bond is 15 years. The hearing information sheet states the Capital Projects fund will be reduced to offset the debt. The issue will eliminate the unfunded liability.

**Present for the hearing** was D. John Thomas, Superintendent; Tom Grabill and Nate Day, Educational Services and Thomas Peterson, Ice Miller.

**Comments:** The Superintendent spoke about the proposed pension bond issue. Officials request the bond issue to eliminate the unfunded pension liability. The school will contribute 2% of a teacher's salary into an annuity and VEBA plans. They will reduce the Capital Projects fund to offset the debt. The term of the bond is fifteen years.

Ms. Bond asked if the request was for a bond issue of \$6.2 million and the Superintendent said yes.

Mr. Bronnert asked about the condition of the schools in the district. The Superintendent said they are excellent, but the Capital Projects fund was frozen at \$0.3675 last year. Officials feel they can manage on a reduced tax rate as they have been remodeled recently.

Mr. Nemeth asked if the unfunded liability would be eliminated with the bond issue and the Superintendent replied yes.

**Motion:** Mr. Barnes made a motion to approve a pension bond issue in the amount of \$6.2 million. Ms. Henson seconded the motion, which favorably carried 8-0.

**Vincennes Community School Corporation, Knox County:** Officials requested approval of a pension bond issue in the amount of \$2,300,000. The tax rate impact was not listed on the hearing information sheet, but calculates to approximately \$0.04 based on the 2002 pay 2003 assessed value. The hearing information sheet states the Capital Projects fund will be reduced to offset the debt. The bond issue will eliminate the unfunded liability.

**Present for the hearing** was Tom Nonte, Assistant Superintendent; Dave Wimmer, Hilliard Lyons and Jeff Qualkinbush, Barnes & Thornburg.

**Comments:** The Assistant Superintendent spoke about the proposed pension bond issue. Officials have a positive relationship with the teachers' association and have reached an agreement. The bond issue will be used to buy out sick days and years of service. The bridge payments to social security were bought out earlier through an annuity plan. They will reduce

the cost to the General fund to \$75,000. The buy out and plan has been ratified by the teachers and approved by the school board. The Capital Projects fund will be reduced in 2005 to offset the debt. Officials feel the energy conservation efforts have reduced to cost in the Capital Projects fund over the years. The reduction to the Capital Projects fund will not have a significant impact due to prior planning and this will help alleviate the strain on the General fund budget.

Ms. Henson asked what the school board vote was at the October 13, 2004 school board meeting and the Assistant Superintendent said 5 to 0.

Mr. Nemeth asked if the 7% interest rate on the loan was realistic. Mr. Wimmer said he erred on the high side and has used it in past studies.

Ms. Henson asked if the interest would actually be lower, would the term of the repayment be reduced. Mr. Qualkinbush said it would also depend on the effect to the Capital Projects fund.

**Motion:** Ms. Henson made a motion to approve a pension bond issue in the amount of \$2.3 million. Mr. Barnes seconded the motion, which favorably carried 8-0.

**MSD of Pike Township, Marion County:** Officials requested approval of a lease rental agreement with maximum annual payments of \$8,769,000 for a term of 7 years. Total project costs are \$15,018,399 with \$2,723,300 from the Capital Projects fund. The tax rate impact of the project is \$0.1429 and a new facility appeal is not anticipated. The common construction wage information was in order. There was no application for a petition and remonstrance process.

**Present for the hearing** was Linda Searles, Business Manager; Bart York, Construction Manager; Dave Blanton, Architect; Colette Irwin-Knott and Kathy Raver, HJ Umbaugh and Jeff Qualkinbush, Barnes & Thornburg.

**Project:** The project includes improvements to Eastbrook Elementary School, Pike High School and the football stadium and field. Eastbrook improvements include site work, entrance redesign, roof work, addition of four classrooms, expansion of the cafeteria and kitchen and HVAC renovations. Improvements at Pike High School will consist of upgrades to ten classrooms, all corridors and lighting throughout. The project also includes new classroom carpet and painting at the High School. Improvements to the football stadium and field include reconstructing the current structure, making the stadium ADA accessible, improving the crown of the field and drainage and renovating the track surface.

**Comments:** The Business Manager spoke about the proposed project. The project has been discussed by school officials for several years. They were included in a master plan adopted in 2001. A portion of this project can be funded through proceeds of a bond issue for the freshman center, which has been completed. It was explained at the 1028 hearing that these payments, along with the payments for the freshman center, would be less than originally estimated. There have been no public comments regarding the project and no petitions filed in opposition. Officials will lease all or part of facilities from the Pike Multi-School Building Corporation, who

will then issue the bonds. The lease rental term ends December 31, 2011. The project has a tax rate impact of \$0.14, but they expect an increase of \$0.005 based on the structure of their debt.

Ms. Henson noted the school district had an active tax group in the past and asked if things had been worked out with the group. The Business Manager said she has only been with the school district for a year, but has not heard any criticisms in that time.

Ms. Bond asked if this involved a lease amendment. Mr. Qualkinbush said this would be a new lease. He explained the freshman center had an estimated cost of \$58 million due to run off concerns by the City of Indianapolis. The costs for that part of the project were lowered by \$12 million through negotiations with city officials. The Business Manager said the public was informed of this at public meetings.

Mr. Barnes noted the construction manager was being paid more than the architect and wondered if school officials looked at more than one firm. The Business Manager said no, they extended the contract with the current construction manager. Mr. Barnes felt school officials should look at more companies in the future to get a better price. Mr. York said school officials have in the past, and their firm has been the lowest. He said the expenses were based on the function of time and the way they have to do the elementary school project.

Mr. Nemeth noted the next project for John Glenn Schools is a \$13.6 million project with a construction manager cost of \$433,000, or half what MSD Pike will be paying.

Mr. Bowen asked how much of the \$8 million at the high school is for the stadium project and the Business Manager said \$5 million. Mr. Bowen asked what would be happening with the stadium. The Business Manager said they would reconstruct the seating since they are not ADA compliant, put in visitor and home dressing rooms, address the narrow and steep staircases due to evacuation concerns and work on the track surface. Mr. Bowen noted the common wage and bid dates are over 180 days apart and would need to submit a new scale to the DLGF. Mr. Qualkinbush said MSD of Pike Township has always passed the Department of Labor wage scale.

Ms. Bond asked what the school board vote was at the lease hearing and Mr. Qualkinbush said 6 to 0 with one board member absent.

**Motion:** Mr. Bowen made a motion to approve a lease rental agreement with maximum annual payments of \$8,769,000 for 7 years. Mr. Nemeth seconded the motion, which carried 7 to 1. Mr. Barnes cast the dissenting vote.

**John Glenn School Corporation, St. Joseph/Marshall/LaPorte County:** Officials requested approval of two lease rental agreements with maximum annual payments of \$1,839,000 for 22 years and maximum annual payments of \$212,000 for 22 years. The total project costs for the addition/renovation of the high school is \$13,920,800 with a tax rate impact of \$0.1867 and a new facility rate impact of \$0.013. The total project costs for the physical education project are \$2,102,623 and the tax rate impact of the project is \$0.0294 and a new facility appeal rate impact of \$0.0046. The common construction wage information was in order. The results of the

petition and remonstrance process for the high school renovation/addition project were 1,952 in favor and 1,475 opposed. The results of the petition and remonstrance process for the physical education project were 1,748 in favor and 1,497 opposed.

**Present for the hearing** was David McKee, Superintendent; Dolores Mueller, Principal; Richard Reese, Principal; Joseph Lowry and Curt Pletcher, School Board Members; Rick Slagle, Contractor; Tom Walter, Construction Manager; Kari Vilamaa, Architect; Colette Irwin-Knott, HJ Umbaugh; Richard Hill, Baker & Daniels and Jeff Fansler, Phillip Buckmaster, Roger Wolcott and David Gensinger, Community Members.

**Project:** The proposed project is to complete the renovation of the existing high school facility, which was built in 1968. When completed, the newly renovated high school will be a total of 136,417 square feet and have a functional capacity of 580 students. The existing area to be renovated is 40,295 square feet, also included is the renovation of the building's infrastructure. Planned new additions will be 21,558 square feet. Total hard construction costs will be \$10,350,000 (not including contingencies or fees).

The second lease addresses the high school's present and future physical education and extracurricular program needs. The project includes the construction of a new 26,960 square foot Physical Education Facility/Auxiliary Gymnasium.

**Comments:** The Superintendent spoke about the proposed project. He handed out a summary of the projects to the control board members. Officials submitted two petitions for the project. The first was a request to approve a lease rental agreement with maximum annual payments of \$1,339,000 for 22 years for general improvements to the high school, also referred to as Plan 101. The second was for a lease rental agreement with maximum annual payments of \$212,000 for 22 years for the construction of a new physical education facility at the high school. The high school was built in 1968 and an addition was constructed in 1982. The Superintendent then referred to the material submitted to control board members describing the project. The Plan 101 project includes:

- Provide new energy efficient heating and air systems that will improve air quality for a healthy learning environment.
- Upgrade electrical service to meet today's and future electrical demands due to increased use of technology, including wiring and support for technology.
- Make major building maintenance improvements including re-roofing, replacement of hot and cold water lines, resurfacing and expansion of parking lots, and installation of exterior lighting.
- Construct new instructional space to support expanded curriculum and student enrollment for science (4 classrooms), special education (3 classrooms and support areas), business lab and one general classroom.
- Expand and renovate the media center to accommodate the use of technology and resources (needed) for students to conduct research and improve information literacy skills.
- Expand and renovate the band, choir, visual arts, and industrial technology areas to meet increased enrollments and changes in curriculum.

- Upgrade the auditorium lighting and sound system, and expand storage for stage props to provide needed support for the excellent drama and musical programs produced by the students.
- Expand and renovate the general office area, including the guidance department, to better meet the need for student nursing services, student records, parent conferences, guidance delivery services, and improved entrance security.
- Upgrade, renovate, and expand the kitchen and food service to provide improved food service for students.
- Add a new weight room and locker rooms, so students in physical education and athletic programs will have safe and adequate room for physical education activities.

The Superintendent said the project allows them to better utilize the space for instructional programs. The material submitted by the Superintendent included the plans for the renovation/expansions involved with Plan 101.

The gymnasium project involves two facility needs. The first is due to an increase in the number of students in the physical education program. There are eleven classes currently utilizing the facility for physical education each day. There are two classes in it at the same time in four out of the seven periods each day. There are over 350 students, or 60%, using the gym on a daily basis and the need for physical education programs continues to increase. The second need is due to the increase in extracurricular programs. The number of athletic teams has increased from five teams in 1968 to thirty-five teams today. The expansion of this area is about student physical fitness and teaching a healthy lifestyle and not about athletic scholarships.

The Superintendent explained the steps in the process of this proposed project. The process began in 1998 through 2001 with a feasibility study and faculty and community committees. Additions were constructed on two elementary schools in 1999 and the new debt structured for future high school improvements. A 1028 hearing for Plan R was held in November 2001 for an \$18,220,000 project at the high school. A petition signed by approximately 500 people was filed opposing the project and the school board decided to not challenge that objection. Two new board members were elected in May 2002 who had opposed the Plan R project. These board members were supportive of the following plans that reflect significant changes to Plan R. There was major opposition to the gym included in this plan. The school board presented Plan Y-1 with a cost of \$15,370,000 to the community in the spring of 2003, but decided not to pursue due to reassessment issues. The two plans being proposed, Plan 101 (cost of \$13,775,000) and the Gym (cost of \$2,085,000) were presented to the community in an attempt to reach a compromise in the spring of 2004. This was done to allow the community to support one or both projects. The 1028 hearing was held followed by the filing of petitions to oppose both projects. The county auditors certified the petitions and those supporting the project won the signature drive.

Jeff Fansler, taxpayer, spoke about the project. He became involved in the process in February 2004. He knew there was a need to inform the community and become involved to get the project approved. There were fourteen community members who attended the bi-monthly school board meetings and they felt the project should remain as one to limit confusing the public. He understands why they separated the project to allow for the most pressing needs to be addressed. He said there was not much opposition voiced at the school board meetings, but there was at the

1028 hearing. He felt that differences could have possibly been resolved if these concerns had been raised at earlier meetings.

Roger Wolcott, taxpayer, spoke about the project. He said the taxpayers opposed to the project had recently filed a lawsuit to stop the project. The reason for the lawsuit was that taxpayers felt the misrepresented the project to the public and there were errors in the petition and remonstrance process. Ms. Bond noted the DLGF has received a copy of the lawsuit. Mr. Wolcott assumed the control board would not vote on the project as it is in litigation. Ms. Bond said the control board is a recommending body, the DLGF makes the final determination. Mr. Wolcott asked if the DLGF would hold another hearing. Ms. Bond said this was the hearing that taxpayers could be heard. The Commissioner of the DLGF would have to make that decision.

Mr. Bowen asked why taxpayers opposed the project. Mr. Wolcott replied that it is due to the current enrollment at the high school and the lack of future growth that is projected. They understand for the need for the media center and science area, but not the seven additional classrooms and the increased operating costs that would go with them. The current enrollment is 570, but the building has a capacity of over 800 students.

Mr. Nemeth asked for a general overview of the lawsuit. A taxpayer gave a copy to Mr. Nemeth.

Ms. Henson asked if taxpayers used the forms prescribed by the State Board of Accounts. Mr. Wolcott said they were forms provided by the County Auditor. Ms. Henson asked if taxpayers attended school board meetings or just the 1028 hearing and Mr. Wolcott said they had been attending the meetings. Ms. Henson asked if concerns were raised at the public meetings and Mr. Wolcott said yes.

Mr. Barnes asked if four classrooms were for science labs. Mr. Wolcott said they have no problem with the science area increase, but feel there is sufficient space available without adding on to the facility. Mr. Barnes noted that remodeling is sometimes more expensive than adding space. Mr. Wolcott said there were a lot of costs of the gym included in Plan 101. He said the Superintendent commented they could come back with a gymnasium project under \$2 million.

Mr. Hill said he could understand taxpayer concerns if the DLGF issued an order. He expects a court hearing on this issue in the next few days. He said officials understand they cannot proceed if the lawsuit is not dismissed.

David Gensinger, taxpayer, spoke about the project. He felt a precedence was set when a previous project had no action taken due to a lawsuit. Ms. Henson asked if he was referring to Plymouth Community Schools and he replied yes. Ms. Henson said the DLGF did not act on that issue due to the lawsuit. Ms. Bond noted the control board did make a recommendation on the Plymouth Schools project.

Mr. Bowen asked about the gymnasium design sketch since one was not included in the information presented at the meeting by the Superintendent. The Superintendent said they have not had schematic designs completed for that project due to remonstrance concerns. Mr. Bowen asked about the estimated cost of the gymnasium project and the Superintendent said \$1.8

million. Mr. Bowen asked what the estimate was based on and the construction manager said it was based on a previous project at Greensburg Schools. Ms. Irwin-Knott said the cost was \$1,750,000 as reported on page 2 of the gymnasium project hearing information sheet. Mr. Bowen noted the time difference between the common wage and the bids. The Superintendent said he understood the common wage scale would need to be passed again later. Mr. Bowen questioned the seven additional classrooms. The Superintendent said they were taking two current classrooms for the media center. They are limited in the advance placement classes offered due to space constraints.

The Superintendent commented the new school board members who were opposed to the past project were helpful in building this project. They offered suggestions for using current space for this project to help reduce the scope of the project.

Mr. Hill noted the petitions filed by taxpayers were not distinguished by county, so all three county auditors had to review all the petitions submitted.

Ms. Henson questioned the timing of the bond sales and bids. Ms. Irwin-Knott said they would sell the first series to straddle them in 2004 and 2005 to receive lower interest rates. The second bond issue would be fine tuned to reflect actual costs after bids are received. Ms. Henson asked why the amortization schedule shows principal payments being skipped in some years. Ms. Irwin-Knott said to show the separate projects, but there would be principal payments made every year. She will submit a combined amortization schedule to show both leases together.

**Motion:** Mr. Barnes made a motion to approve a lease rental agreement with maximum annual payment of \$1,839,000 for 22 years for the Plan 101 High School Improvement Project. Mr. Roberson seconded the motion, which favorably carried 7-0. Ms. Johnson was absent.

Mr. Barnes made a motion to approve a lease rental agreement with maximum annual payments of \$212,000 for 22 years for the Gymnasium Project. Mr. Bronnert seconded the motion, which favorably carried 7-0.

**Westfield-Washington Schools, Hamilton County:** Officials requested approval of a new facility appeal in the amount of \$347,516 and a transportation appeal in the amount of \$187,350. The appeals were properly advertised.

**Present for the hearing** was Scott Robison, Assistant Superintendent and Marsha Bohannon, Treasurer.

**New Facility Appeal:** The tax rate impact of the appeal is \$0.0216. Officials requested the appeal due to the opening of the Westfield Middle School Connector Building, a new facility, and the new Washington Woods Elementary. The Middle School Connector Building will be occupied in July 2005 and has an appeal request of \$143,371 and includes costs for property services, insurance, utilities, supplies and equipment. The elementary school opened in June 2003 and has an appeal request of \$204,145. The request includes the salary for a security guard, property services, insurance, utilities, supplies, equipment and vehicles.



**Comments:** Ms. Bond noted Washington Woods Elementary was not to be considered at this time.

The Assistant Superintendent spoke about the appeal. The request is for Westfield Middle School. Hamilton County is the sixth fastest growing county in the nation currently. The middle school project involved the construction of a connector between two facilities. The 66,000 square foot addition is set to open in July 2005 and they are requesting \$143,371 for 6 months cost.

Ms. Henson noted the DLGF reviews equipment lists and adjusts items over \$5,000 to 20% of cost. The appeal amount was reduced to \$137,826 to adjust for items over \$5,000.

**Motion:** Mr. Barnes made a motion to approve a new facility appeal in the amount of \$137,826. Ms. Henson seconded the motion, which favorably carried 8-0.

**Transportation Appeal:** The tax rate impact of the appeal is \$0.011676. Officials requested the appeal due to increased fuel costs, an increase in the number of students transported/miles traveled and an increase in the number of special education students transported/miles traveled. They have added 17 bus drivers and 6 bus aides since 2002 and the number of routes has increased from 75 in 2000 to 96 in 2004. Officials reported a 14.5% increase in the transportation budget.

**Comments:** The Assistant Superintendent spoke about the transportation appeal. The appeal request is due to an increase in fuel costs and the number of students and special education students transported.

Ms. Bond asked if the district experience an increase of 10% in the transportation budget and the Assistant Superintendent replied yes. Ms. Bond asked if the appeals were properly advertised and the Assistant Superintendent said yes.

Mr. Roberson asked for the appeal amount and the Assistant Superintendent replied \$187,350.

**Motion:** Mr. Roberson made a motion to approve a transportation appeal in the amount of \$187,350. Ms. Henson seconded the motion, which favorably carried 8-0.

**Anderson Community School Corporation, Madison County:** Officials requested approval of a new facility appeal in the amount of \$66,715. The tax rate impact of the appeal is \$0.00308. The appeal request is for the new Anderson Elementary School, which opened in August 2003. The request includes the cost of utilities and a nursing position. The appeal was properly advertised.

**Present for the hearing** was Tim Long, Superintendent and Kevin Brown, Treasurer.

**Comments:** The Treasurer spoke about the new facility appeal. Officials are in the process of replacing old facilities with new ones. They abandoned two buildings and replaced with one new facility. Officials are requesting an appeal in the amount of \$66,715. The public was told

they would appeal \$200,000, but they are only requesting 1/3 of that amount. The request includes utilities, nursing services and equipment.

Mr. Barnes asked how many nurses were being requested. School officials said one full-time to replace two part-time positions.

Ms. Henson asked if an equipment list had been submitted with the appeal. School officials said they submitted copies of the purchase orders with the appeal paperwork.

Mr. Nemeth asked what the DLGF position has been regarding nursing positions in the new facility appeal. Ms. Henson said the DLGF considers costs of maintaining facilities, not nursing positions. School officials felt the nurse was necessary due to the area of the community that the school building is located. Mr. Nemeth read from information that summarized the statute and pointed out the appeal was for physical operating costs.

Ms. Henson asked if security cameras were installed, but not included in the appeal request. The Superintendent replied yes.

Mr. Bowen asked if they were paid out of the construction fund and the Superintendent said no.

Mr. Bronnert asked if they were paid out of the General fund and the Superintendent said the Capital Projects fund.

**Motion:** Ms. Henson made a motion to approve the new facility appeal in the amount of \$66,715 less the nurse position. Mr. Bronnert seconded the motion, which carried 7-1. Mr. Nemeth cast the dissenting vote.

**Brownsburg Community School Corporation, Hendricks County:** Officials requested approval of a new facility appeal in the amount of \$976,021 and a transportation appeal in the amount of \$500,000. The appeals were properly advertised.

**Present for the hearing** was Marvin Ward, Business Manager.

**New Facility Appeal:** The tax rate impact of the appeal is \$0.0592. Officials requested the appeal due to two additions at Brownsburg High School and the new Brownsburg East Middle School. The appeal for the pool addition (53,414 square feet) of the high school includes two custodians, one maintenance position, supplies, insurance and utilities and is in the amount of \$178,057. The appeal for the media center addition (37,692 square feet) of the high school includes two custodians, supplies, insurance and utilities and is in the amount of \$162,866. The appeal for the new East Middle School is in the amount of \$635,098 and includes twelve custodians, two maintenance positions and 1.5 grounds/maintenance positions, supplies, insurance and utilities.

**Comments:** The Business Manager spoke about the new facility appeal. The request includes three facilities. The first is the remaining request for the swimming pool/seven classroom addition to the north end of the high school. The appeal is for seven months and the amount is

\$178,057. The second appeal is for the media center addition to the south end of the high school. The appeal amount is \$162,866 and represents costs for a full year. The third portion of the appeal is for East Middle School to be completed in July 2005. Officials are requesting ½ of the costs for the 247,000 square foot facility in the amount of \$635,098. The total new facility appeal request is \$976,021. Officials informed the public of the appeal when the project was approved.

Ms. Bond asked if the appeal includes salaries, insurance and utilities. The Business Manager said yes, and noted the request includes a phone line for the HVAC and pool.

Ms. Henson asked if the pool was used for academics and the Business Manager replied yes. He said an additional swim instructor had to be hired due to the large freshman class. Ms. Henson asked how much area a custodian covers and the Business Manager said 25,000 to 30,000 square feet. If there are restrooms in the area, less than 30,000 square feet.

Mr. Barnes questioned 12 custodians for 247,000 square feet. It was noted that would mean each covers just over 20,000 square feet.

**Motion:** Mr. Roberson made a motion to approve a new facility appeal in the amount of \$976,021. Mr. Barnes seconded the motion, which favorably carried 8-0.

**Transportation Appeal:** The tax rate impact of the appeal is \$0.0303. Officials requested the appeal due to an increase in fuel costs, an increase in the number of students transported/miles traveled and an increase in the number special education students transported/miles traveled. Officials have added several drivers, aides and a mechanic over the last three years. The number of bus routes has increased from 39.5 in 2000-2001 to 57 in 2004-2005.

**Comments:** The Business Manager spoke about the transportation appeal. They are the fifth fastest growing school district in the state. Officials advertised a higher appeal amount on the budget advertisement due to an abatement being included in the pay 2004 assessed value certified by the County Auditor. After reviewing the county abstract, it was determined the assessed value would not cause them a problem in the area of collections. They have seen an increase in fuel costs and the number of students and special education students transported. He said the growth in the area is not slowing down at this time. The appeal was advertised properly on budget form 3.

Ms. Henson noted the DLGF transportation formula showed the school corporation qualifies for an appeal in the amount of \$246,700.

**Motion:** Mr. Nemeth made a motion to approve a transportation appeal in the amount of \$246,700. Ms. Henson seconded the motion, which favorably carried 8-0.

**Franklin Township Community School Corporation, Marion County:** Officials requested approval of a new facility appeal in the amount of \$205,000 and a transportation appeal in the amount of \$314,695. The appeals were properly advertised.

**Present for the hearing** was Dr. E.B. Carver, Superintendent and Rod Caldwell, Director of Business.

**New Facility Appeal:** The tax rate impact of the appeal is \$0.0111. Officials requested the appeal for a new alternative school (opens 1/05) and a new elementary school (opens 7/05). The request for the alternative school is \$30,000 and includes a ½ custodial position, property insurance and utilities. The request for the new elementary includes 1 head custodian and 4 custodians, property insurance and utilities and has been prorated for six months costs.

**Comments:** The Director of Business spoke about the new facility appeal. There are two facilities included in the appeal request. The first is an alternative school that is actually a pole-type building. The facility will be constructed at the high school and house the alternative school program for five years. The program would then move into an area of the middle school as the program grows. The building would then be converted into a maintenance building. The facility is 7,000 square feet and the request includes a ½ custodial position, insurance and utility costs for an appeal amount of \$30,000. The facility is set to open in January 2005. The second facility is a new elementary school located on Thompson Road and will begin housing students in August 2005. The request includes five custodians for 102,000 square feet, insurance and utilities. The total annual costs are \$350,000, but officials are only requesting \$175,000 for the first six months of the appeal.

**Motion:** Ms. Bond made a motion to approve a new facility appeal in the amount of \$205,000. Mr. Nemeth seconded the motion, which favorably carried 7-0-1. Mr. Roberson abstained from the vote.

**Transportation Appeal:** The tax rate impact is \$0.0170. Officials requested the appeal due to increased fuel costs and an increase in the number of students transported/miles traveled. Officials also cite the opening of the RISE Special Education Coop as being a reason for increased costs. Officials have added 25 drivers, 2 mechanics and some aides over the last three years. The number of bus routes has increased from 57 in 1999-2000 to 78 in 2003-2004.

**Comments:** The Director of Business spoke about the transportation appeal. Officials are requesting an appeal in the amount of \$314,695. Both of the appeals were advertised properly along with the budget. They have experienced an increase of 549 new students, increased fuel costs and increased special education transportation costs. The opening of the new elementary school next fall will also increase transportation costs.

Ms. Bond asked if the school corporation qualified for the appeal based on the DLGF transportation formula and Ms. Henson replied yes.

Mr. Bowen noted an error on the hearing information sheet. The Director of Business said the years should read 2004 and 2005. Mr. Bowen noted this appeal represented the highest cost per mile than others that have been considered. The Director of Business said they have added two more mechanics over the last three years and increased the number of bus routes.

**Motion:** Mr. Barnes made a motion to approve a transportation appeal in the amount of \$314,695. Mr. Nemeth seconded the motion, which favorably carried 7-0-1. Mr. Roberson abstained from the vote.

**Adjournment:** There was no further business to discuss and the meeting was adjourned.